

March 2012

Issue 03



## CENTRAL ARKANSAS CHAPTER

### Articles:

- A Message From the President (p1)
- State Tax Collections Rise but Growth Remains Slow (p8)

### Inside Highlights:

CGFM information

Monthly Meetings

Upcoming Events

Minutes

Financial Statement

Membership Update

## A MESSAGE FROM THE PRESIDENT

*By Jeff Mascagni*

Dear Fellow Chapter Members:

The 2011-2012 program year is nearing the end. I have really enjoyed meeting everyone and look forward to the future with AGA.

We have one more monthly meeting this program year. On May 21<sup>st</sup> Artee Williams with the Arkansas Department of Workforce Services will join us and discuss the Leadership Development Institute. Come join us at noon in the ANRC River Room on the third floor of the Main Street Mall (101

East Capitol Avenue, Little Rock) for 1 hour of free CPE.

I am pleased to invite you to our Spring Seminar "Updates and Emerging Issues for Accountability Professionals" on May 24<sup>th</sup> at the University of Arkansas Cooperative Service Auditorium (2301 South University Avenue, Little Rock). We will have two outstanding speakers updating us on three very timely topics: Fraud – 2 CPEs, Risk Assessment – 2 CPEs, and Governmental & Global Accounting – 4 CPEs.

I would also like to invite you to our Annual

Awards Party, which will be held Thursday, June 7, 2012, at Cregeen's Irish Pub in North Little Rock.

The Cereal Drive for the Arkansas Food Bank at the April monthly meeting was a huge success. Let's carry that over to the May monthly meeting. Please bring a box of cereal or other food item and help us feed our neighbors who are less fortunate.

I again want to thank all of you who continue to volunteer and support our chapter. Let's continue the great work into 2012-2013!!



## CGFM Month

On February 9, 2012, Governor Mike Beebe signed a proclamation, proclaiming March 2012 as Certified Government Financial Manager (CGFM) Month!!!



Central Arkansas AGA Members and Governor Mike Beebe

### STATE OF ARKANSAS EXECUTIVE DEPARTMENT PROCLAMATION

TO ALL TO WHOM THESE PRESENTS COME – GREETINGS:

- WHEREAS:** The Central Arkansas Chapter of the Association of Government Accountants (AGA) is a professional organization, which is part of the Association of Government Accountants, a network of more than 15,000 members in 90 chapters throughout the United States and the world; and
- WHEREAS:** There are approximately 200 active members who represent state, federal, municipal, and private-sector accountants, auditors, and financial managers in Arkansas; and
- WHEREAS:** Members of the Arkansas Chapter have responded to the AGA's mission by advancing governmental accountability and by continuing broad educational efforts that emphasize high standards of conduct, honor, and character in its Code of Ethics; and
- WHEREAS:** The AGA Central Arkansas Chapter is making significant strides in both its professional ability and its service to the citizens of Arkansas through mastering increasingly technical and complex requirements; and
- WHEREAS:** The Certified Government Financial Manager (CGFM) program of AGA provides a means of demonstrating professionalism and competency by requiring that each CGFM candidate has an appropriate educational and employment history, abides by AGA's Code of Ethics, and passes a rigorous examination requiring expertise in all facets of government management, accounting, and budgeting. All CGFM holders must also maintain certification by completing comprehensive training sessions;
- NOW, THEREFORE, I, MIKE BEEBE, Governor of the State of Arkansas, by virtue of the authority vested in me by the laws of the State of Arkansas, do hereby proclaim March 2012, as**

**CERTIFIED GOVERNMENT FINANCIAL MANAGER MONTH**

across the State of Arkansas, and I urge all citizens to recognize the dedicated efforts put forth by financial managers in our communities.

**IN TESTIMONY WHEREOF,** I have hereunto set my hand and caused the Great Seal of the State of Arkansas to be affixed this 8<sup>th</sup> day of February, in the year of our Lord 2012.



*Mike Beebe*  
MIKE BEEBE, GOVERNOR

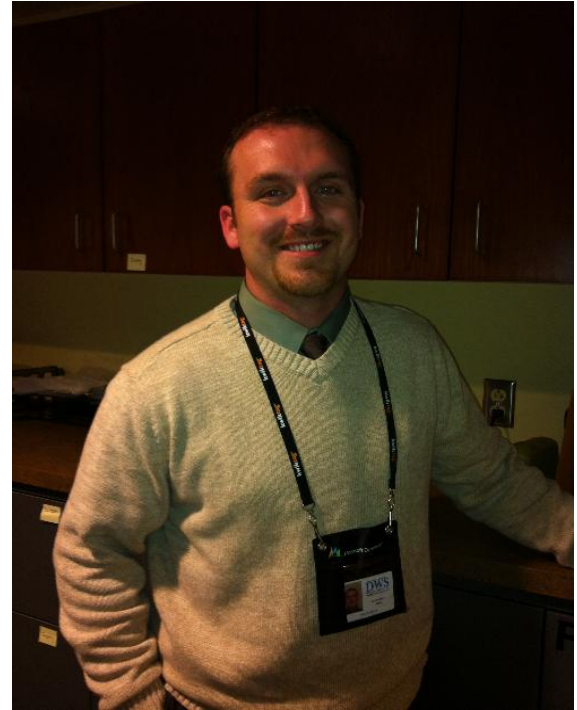
*Mark Martin*  
MARK MARTIN, SECRETARY OF STATE

CGFM is a Certified Government Financial Manager. Ask your chapter president or one of our chapter's many CGFM's to learn more.

**CGFM NEWS****MEET THE NEW CGFMS**

*Karen Hill, CGFM*

Karen Hill is an audit manager with Jackson Howell & Associates, PLLC with offices in West Memphis, Arkansas, and Cordova, Tennessee. She is a Certified Public Accountant and manages audits which must be conducted in accordance with Government Auditing Standards and A-133. Karen received a double major in Accounting and Business Administration from Belhaven College in Jackson, Mississippi. She started her career with Touche Ross & Co., predecessor firm of Deloitte and Touche, and has been in her current position since 1999. Karen became a Certified Fraud Examiner in 2010. She has been a member of the Association of Government Accountants since 2009 and decided to pursue becoming a Certified Government Financial Manager to increase her knowledge in the principles of governmental accounting and expand her work in the governmental arena.



*Kristopher R. Jones, CGFM*

Kristopher graduated from Arkansas State University in 2009 with a Bachelor's in Accounting. Early that spring, he was accepted to the part-time division of William H. Bowen School of Law and attended classes in the evening. Kristopher began working for the Department of Workforce Services as a Budget Specialist in April of 2009 where he builds grant-level budgets, monitors expenditures for adherence to legal requirements, produces position reports for the agency, and assists finance and program managers in reaching their goals. He wanted to earn the CGFM designation to demonstrate both his understanding of governmental accounting and dedication to expanding on that knowledge.

## UPCOMING MONTHLY MEETING

*Meetings are held at the Natural Resource Commission – River Room*

- Artee Williams, ADWS: Leadership Development Institute – May 21, 2012

*There will be no monthly meetings held during the summer months.*

## UPCOMING CHAPTER EVENTS

### ***Cereal Drive***

The chapter will be collecting boxes of cereal during the upcoming monthly meeting. Many children from low-income families are only able to eat breakfast at school. Please join us in ensuring that these children are able to have breakfast during the summer months. Bring boxes of cereal and/or a cash donation to the monthly meetings. The cereal and donations will be provided to the Arkansas Department of Health for distribution.

### ***Spring Seminar***

The Spring Seminar will be held Thursday, May 24, 2012 from 8:00 a.m. until 5:00 p.m. at the University of Arkansas Cooperative Extension Service Auditorium. Lunch and refreshments will be provided. Eight (8) hours of CPE will be available. Jerry Spratt will present a two-hour course on "Fraud," Dr. Lela "Kitty" Pumphrey will present a two-hour course on "Risk Assessment," and Dr. Pumphrey will present a four-hour course on "Governmental and Global Accounting." Registration packets will be e-mailed to all members.

### ***Awards Banquet***

The annual awards banquet, during which the Financial Manager of the Year award will be presented to a deserving candidate, will be held June 7, 2012, at Cregeen's Irish Pub in North Little Rock. Additional details will be available soon.

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## EXECUTIVE COMMITTEE MEETING MINUTES

Meeting Date: March 5, 2012  
 Meeting Time: 12:00 noon  
 Meeting Location:  
 Central Arkansas Water, 4<sup>th</sup> Floor  
 Conference Room

### Members Present:

Jeff Mascagni DeeVee Pearson  
 Richard Drilling Colleen  
 Vollman  
 Shannon Todd Chandria  
 Jones  
 Tyler Cain

The meeting was opened by Jeff Mascagni, immediately following lunch.

### Meeting Minutes

Chandria Jones e-mailed the minutes for the February 2012 board meeting to each board member prior to the meeting. One correction was made—the speaker for the next monthly meeting is Dan Clanton, not Bob Clanton, as printed. Shannon Todd made a motion to accept the minutes, and Richard Drilling seconded the motion. The minutes were accepted with the recommended correction.

### Treasurer's Report

The Treasurer was not present, so no Treasurer's Report was presented.

### Nominating Committee Report

Per Shannon Todd, Brenda Horner said that she will speak with the CAFR employees about serving on the board, but she does not have time to serve at this time. Cynthia Bearden stated that she does not

have time to serve this year either. Gerald Plafcan will get back with Shannon once he determines if he'll have time to serve. Jeff Mascagni stated that Harvey Wiley is interested in becoming involved in the chapter, but not this year.

The Accountability, Meetings & Awards, Newsletter, and Community Service Chair positions are still vacant. Shannon asked everyone to let her know if we think of someone who may be interested in filling the vacant positions. Tyler Cain stated that he is willing to be the Accountability Chair and will also serve as Program Chair if we are unable to fill the positions.

### Chapter Points

Per Shannon Todd, we currently have 14,770 points. We are at the Silver level.

### Meetings and Awards

Jeff will follow up with Martha Bennett to determine if the audio conferences have been ordered. Jeff asked everyone to think of suggestions for the Financial Manager of the Year award.

### Membership

No new members to report at this time.

### CGFM

Jeff reminded everyone to please be present at the photo session with the Governor if we are able to attend. The photo is scheduled for March 14<sup>th</sup> at 10 a.m. We are asked to arrive by 9:45.

### Community Service

It is not too late to sign up to volunteer for Riverfest if we desire.

### Webmaster

No new items to report.

### Spring Conference

Per Jeff Mascagni, Will Cottrell has confirmed Kitty Pumphrey. She is willing to come down for one day. He has not yet confirmed Jerry Spratt.

### Other

Lunch with the R.V.P. went well. Bob Broughton showed him around the city after the meeting. Jeff will ask him to send a flyer about the intensive review course that the Oklahoma City chapter is hosting so that it can be distributed to the members.

*The meeting was adjourned at 12:52 p.m.*

**AGA  
Central Arkansas Chapter  
March 31, 2012**

	<b>Budget</b>	<b>Actual</b>	<b>Difference</b>
<b>INCOME</b>			
Chapter Dues	1,070.00	1,883.90	(813.90)
Chapter Recognition Award	150.00		150.00
Education Seminar Receipts	9,580.00	6,786.50 (1)	2,793.50
Christmas Party Receipts	100.00	511.00	(411.00)
Awards Banquet Receipts	300.00		300.00
Interest Income	120.00	0.74	119.26
Miscellaneous Income	200.00		200.00
<b>Total Budgeted Income</b>	<b>11,520.00</b>	<b>9,182.14</b>	<b>2,337.86</b>
<b>EXPENSES</b>			
Audit Fees	1,000.00	1,100.00	(100.00)
Awards Banquet Expenses	500.00	503.00 (2)	(3.00)
Christmas Party Expenses	300.00	632.61	(332.61)
Education Seminar Expenses	5,000.00	4,588.95	411.05
Executive Committee Expenses	400.00	760.95	(360.95)
Audio Conference Expenses	1,150.00	373.52	776.48
Post Office Box Rental--1 year	70.00	70.00	-
Postage	200.00	11.00	189.00
Scholarships/Memorials	1,000.00	500.00	500.00
Speaker Gifts	150.00	-	150.00
Travel--Officers' Training (PDC)	1,000.00	870.28	129.72
Website	150.00	150.00	-
Year End Awards	500.00	-	500.00
Miscellaneous Expenses	100.00	12.40	87.60
<b>Total Budgeted Expenses</b>	<b>11,520.00</b>	<b>9,572.71</b>	<b>1,947.29</b>
<b>Net Income</b>	<b>-</b>	<b>(390.57)</b>	<b>390.57</b>

(1) Includes \$6,771.50 Fall Conference Revenue and \$436 Early Career / Recruitment Scholarship

(2) Included Ginger bread Tree gifts \$159.84 and Promotional supplies of \$343.16

**Bank Account Balance**

Checking Account	8,397.12
CD balance	15,621.72
<b>Total Cash</b>	<b>24,018.84</b>

## NEW MEMBERS

<u>Name</u>	<u>Employer</u>	<u>Date Joined</u>
Jerry Hudlow	City of Rogers	January 1, 2012
Lisa Bucks	AR Auditor of the State	January 1, 2012
Nancy Bullard	Dept. of Workforce Services	January 1, 2012
Katrina Christopher	University of Arkansas at Little Rock	February 1, 2012
Lyle Jackson	Dept. of Human Services, Ofc of the Chief Counsel	February 1, 2012
Christopher McTigrit	Department of Finance & Admin.	March 1, 2012
Erin Brown	Department of Finance & Admin.	March 1, 2012
Louise Branscomb	Dept. of Workforce Services	March 1, 2012
Mark Troillett	Department of Finance & Admin.	March 1, 2012

### Membership Benefits

As an AGA member, you gain access to a host of benefits designed to support your career growth and your success, including:

- Exclusive, members-only resources and information on [www.agacgfm.org](http://www.agacgfm.org)
- Knowledge sharing and networking opportunities through AGA Chapters, Conferences Membership Directory and Social Networking Sites
- Leadership and volunteer opportunities through awards and scholarships, the certification program, research program, conferences committee involvement
- Professional Guidance, Continuing Professional Education (CPE) and Certification opportunities
- Online Job Bank and Resume Database for jobseekers to post resumes and employers to find candidates
- Advocacy. AGA and its members provide valuable input to standards-setting bodies and policy-makers on behalf of the government financial management profession.

## State Tax Collections Rise, But Growth Remains Slow

Total tax collections jumped in all 50 states last fiscal year, with oil-rich areas pocketing significant additional revenues.

State financial data released today by the Census Bureau shows governments collected \$763.7 billion in fiscal year 2011, up \$62.1 billion from the previous year. Despite sizeable gains in some states, though, overall growth remained slow and below pre-recession levels.

Tax analysts cautioned that revenues have not rebounded, and expect a slow economic recovery to continue to drain state coffers. Going forward, governments will likely see sluggish growth in tax revenues, they said.

"We're over the worst of it, but I still think the road will be a little rocky going forward for some states," said Kim Rueben, a senior fellow at the Urban Institute.

Total state tax collections increased the past two years. But that's only because revenues dropped sharply during the recession. Fiscal year 2011 collections are down 2.1 percent from peak levels in 2008, without adjusting for inflation.

Eleven states reported double-digit percentage increases last year.

North Dakota's total tax collections shot up 44 percent, by far the largest increase of any state. A shale oil boom fueled much of the added \$1.2 billion in revenue, with the state recently overtaking California as the country's third-largest oil producer.

Oil and natural gas industries boosted revenues in other states as well. Alaska, California and Wyoming recorded the next highest year-over-year percentage gains.

Rueben said higher income tax collections accounted for much of California's growth, likely aided capital gains taxes.

Individual income taxes make up a third of total state revenues and rose nearly 10 percent for the year. Rueben said uncertainty over capital gains and dividend rates near the end of 2010 boosted these figures as many individuals sold their investments.

Some states recorded relatively small revenue gains for the year. Shifting tax policies can sway total collection rates. Varying economic cycles also influence annual totals.

Hawaii reported less than a 1 percent increase in year-over-year tax collections, the smallest in the country. Rueben said she suspects a decline in tourism may have hurt the state.

Louisiana's state revenue took a hit from the Gulf oil spill, with collections up only 1.2 percent from fiscal year 2010.

For the current fiscal year, policy analysts expect any state revenue spikes to be minimal.

"We're on the road to recovery for states, but I would urge caution rather than assuming there is a lot of wiggle room to start cutting taxes," Rueben said.

North Carolina and Connecticut are among several states that have allowed temporary tax increases to expire. In California, Gov. Jerry Brown has proposed a special election to decide whether to extend tax hikes later this year.

Oklahoma, Missouri and Kansas are debating plans to completely drop state income taxes. With local governments struggling, Rueben said such moves would be a mistake.

"If states don't restore some of the aid they cut, it's going to be much more difficult for local governments to sort this out," she said.

Lucy Dadayan, senior policy analyst for the Nelson A. Rockefeller Institute of Government, also expects slow revenue growth for states in the coming years.

"There will be more pressure to find solutions to close the gap between revenues and spending," she said. "States have to take measures to control the growing Medicaid and pensions pressures."

Local governments -- relying mostly on property taxes -- could find the next few years particularly difficult. Property taxes, although hit by the poor housing market, typically lag a few years behind income taxes and other revenues. Census figures show declining property tax revenues over the past several quarters.

As property tax collections continue to fall, Dadayan said municipalities will need to find alternate revenue sources.

*Posted by Mike Maciag  
Governing Magazine  
[www.governing.com](http://www.governing.com)*

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## Central Arkansas AGA Board Members

**Jeff Mascagni, President**  
377-1339  
[Jeff.mascagni@carlw.com](mailto:Jeff.mascagni@carlw.com)

**Tyler Cain, Programs Chair**  
683-5359  
[Tyler.c.cain@arkansas.gov](mailto:Tyler.c.cain@arkansas.gov)

**Shannon Todd, President Elect**  
371-1468  
[Shannon.todd@dfa.arkansas.gov](mailto:Shannon.todd@dfa.arkansas.gov)

**Don Bellcock, Meetings/Awards Chair**  
371-8084  
[Donald.bellcock@arkansas.gov](mailto:Donald.bellcock@arkansas.gov)

**Bob Broughton, Past President**  
280-4594  
[Bob.broughton@arkansas.gov](mailto:Bob.broughton@arkansas.gov)

**Brenda Jackson, CGFM Chair**  
682-6250  
[Brenda.jackson@arkansas.gov](mailto:Brenda.jackson@arkansas.gov)

**Martha Bennett, Treasurer**  
280-4645  
[Martha.bennett@arkansas.gov](mailto:Martha.bennett@arkansas.gov)

**Renee Ikard, Community Service  
Chair**  
683-5349  
[Renee.Ikard@arkansas.gov](mailto:Renee.Ikard@arkansas.gov)

**Chandria Jones, Secretary**  
371-1467  
[Chandria.jones@dfa.arkansas.gov](mailto:Chandria.jones@dfa.arkansas.gov)

**Colleen Vollman, Webmaster**  
682-2794  
[Colleen.vollman@dfa.arkansas.gov](mailto:Colleen.vollman@dfa.arkansas.gov)

**Will Cottrell, Education Chair**  
682-6398  
[William.cottrell@arkansas.gov](mailto:William.cottrell@arkansas.gov)

**Richard Drilling, Historian**  
324-9062  
[Richard.drilling@dfa.arkansas.gov](mailto:Richard.drilling@dfa.arkansas.gov)

**DeeVee Pearson,  
Membership/Early Ed. Chair**  
683-0471  
[Deevee.pearson@arkansas.gov](mailto:Deevee.pearson@arkansas.gov)